

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF LOUISIANA**

UNITED STATES OF AMERICA	*	CRIMINAL DOCKET NO. 09-344
v.	*	SECTION: "R"
DWAYNE D. MUHAMMAD	*	
	*	
	*	
	*	

FACTUAL BASIS

If this case were to proceed to trial, the United States would prove beyond a reasonable doubt, through credible testimony and reliable evidence, the following facts:

Housing Authority of New Orleans is Empowered to Contract and Receive Federal Funding

The Housing Authority of New Orleans ("HANO") is a local political subdivision of the State of Louisiana (within the Eastern District of Louisiana) located in New Orleans, Louisiana. During the time period outlined in the Bill of Information, HANO received in excess of \$10,000.00 of federal funds annually and remained in receivership under the United States Department of Housing and Urban Development.

***Defendant Was an Agent of HANO and Chief Operating Officer
of HANO's Housing Choice Voucher Program***

The defendant, **DWAYNE D. MUHAMMAD** ("MUHAMMAD"), was an agent of HANO from in or near January of 2002, continuing through August 28, 2009. He acted as the Chief

Operating Officer (“COO”) for the HANO Housing Choice Voucher Program from in or about November 5, 2007, through August 28, 2009. During his employment at HANO, **MUHAMMAD** earned the following amounts in the below listed positions:

Date	Position	Salary
1/1/07 to 4/16/07	Special Programs Manager	\$67,608
4/17/07 to 11/4/07	Director of Management	\$80,004
11/5/07 to 5/29/08	COO of Housing Choice Voucher Program	\$94,992
5/30/08 to 2/15/09	COO of Housing Choice Voucher Program	\$103,992
2/16/09 to 8/28/09	COO of Housing Choice Voucher Program	\$114,400

Defendant Committed Theft of HANO Funds

From January of 2007, continuing through August 28, 2009, in New Orleans, Louisiana (Eastern District of Louisiana), **MUHAMMAD**, acting as an agent and authorized representative of HANO, knowingly and wilfully embezzled, stole, obtained by fraud and otherwise unlawfully converted to his own use, funds in amount of \$45,318.00, which was owned by and under the care, custody and control of HANO. In doing so, the defendant violated Title 18, United States Code, Section 666(a)(1)(A)(i) & (ii)(Theft from a Program Receiving Federal Funds).

During this time period, while he was an agent of HANO and/or COO of the Housing Choice Voucher Program, **MUHAMMAD**, knowingly and fraudulently lived in a residence, located at 4739 Western Street, New Orleans, Louisiana, 70122 (“4739 Western Street”) which was receiving a Section 8 housing subsidy. During this time period, **MUHAMMAD**’s salary exceeded the HUD income eligibility limits for Section 8 assistance and **MUHAMMAD** failed to disclose to HANO that he was using the 4739 Western Street address as his primary residence.

Had **MUHAMMAD** disclosed to HANO officials that he was living at 4739 Western

Street, the Section 8 voucher on the property would have been cancelled because the property would not have been eligible for a Section 8 housing voucher on account of **MUHAMMAD's** high income. The fact that **MUHAMMAD** made well over this income limit in a household comprised of at most four people, and failed to disclose that to HANO that he was benefitting from the Section 8 voucher was a clear violation of HUD regulations. From January 2007 through August 2009, **MUHAMMAD** fraudulently obtained a total of \$45,318.00 in Section 8 housing subsidies, to which he knew he was not entitled.

On or around August 25, 2009, **MUHAMMAD**, after being made aware that his unlawful living circumstances were about to be made public and reported to law enforcement, **MUHAMMAD**, met with a HANO employee and requested that the HANO employee "cancel" the voucher on the property located at 4739 Western Street so that it would appear that the address had not, in fact, been receiving a voucher and that **MUHAMMAD** had not been fraudulently receiving housing assistance that he was not entitled to.

On September 16, 2009, special agents from the Federal Bureau of Investigation ("FBI") and Housing and Urban Development, Office of Inspector General's Office ("HUD-OIG") questioned **MUHAMMAD** regarding this theft. In turn, **MUHAMMAD** admitted his guilt and took full responsibility for fraudulently using 4739 Western Street as his primary residence from January 2007 through August 2009 and improperly receiving the benefits of the Section 8 voucher payments.

In summary, all of the evidence introduced at trial would establish the elements of the offense and prove the defendant's guilt beyond a reasonable doubt.

READ AND APPROVED:

DWAYNE MUHAMMAD (Date)
Defendant

PROVINO MOSCA (Date)
Counsel for Defendant

SHARAN E. LIEBERMAN (Date)
Assistant U.S. Attorney